

**Financial Statements**  
**(unaudited)**

*For the period 1<sup>st</sup> January 2009 until 30<sup>th</sup> June 2009*

**Financial Statements (Unaudited)**  
*For the period 1<sup>st</sup> January 2009 until 30<sup>th</sup> June 2009*

<b>Contents</b>	<b>Pages</b>
Management and Administration.....	2
Investment Manager's Report.....	3
Schedule of Investments .....	9
Statement of Net Assets Attributable to Participating Shareholders.....	13
Statement of Operations.....	15
Statement of Changes in Net Assets Attributable to Participating Shareholders.....	17
Portfolio Movements (Unaudited).....	19
Notes to the Financial Statements.....	23

## Management and Administration

### Directors of the Company

Paul Nunan \*  
Anthony Joyce \*  
Edward Guinness \*\*  
Andrew E. Martin Smith \*\*  
James Leslie (Deceased 22<sup>nd</sup> Feb 2009)  
Johnny McClintock  
David McGeough

### Registered Office

1 Adelaide Court  
Adelaide Road  
Dublin 2  
Ireland

### Promoter & Investment Manager

Guinness Asset Management Limited  
14 Queen Anne's Gate  
London SW1H 9AA  
United Kingdom

### Administrator, Registrar and Company Secretary

Capita Financial Administrators (Ireland) Limited  
1 Adelaide Court  
Adelaide Road  
Dublin 2  
Ireland

### Global Distributor

Guinness Asset Management Limited  
14 Queen Anne's Gate  
London SW1H 9AA  
United Kingdom

**Company Number: 450670**

- \* Directors of the Manager and Administrator
- \*\* Employees of the Investment Manager

### Independent Auditors

Deloitte & Touche  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

### Irish Legal Advisers

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Manager

Capita Financial Managers (Ireland) Limited  
1 Adelaide Court  
Adelaide Road  
Dublin 2  
Ireland

### Custodian

JP Morgan Bank (Ireland) plc  
JP Morgan House  
IFSC  
Dublin 1  
Ireland

## Investment Manager's Report Guinness Global Energy Fund

### Review

The Global Energy Fund in the first six months of 2009 produced a total return of 29.87% (class A, in US dollars). This compares favourably to the price return of the Morgan Stanley Capital International World Energy Index of 6.68%, and is also well ahead of the broad market which was up a little, as exemplified by the MSCI World Index's total return of 6.58%.

The star performers over the first six months of 2009 have been spread across all sectors. Singapore Petroleum (refining) was up 172.0%, Dragon Oil and Addax (both emerging market exploration and production) were up 154.8% and 150.3% respectively, Petro-Canada (Canadian Integrated) was up 72.4% and Newfield (US exploration and production) was up 65.8%. The worst performing holdings have been ConocoPhillips, Apache, Royal Dutch Shell, Hess and Swift, with performance ranging from -18.8% (ConocoPhillips) to +0.2% (Swift).

2009 has been a year of recovery for the oil price. Having ended 2008 at \$44 it fell back to \$35 in mid-January and threatened to retest the December low (\$31). However, it has since moved up handsomely and went through \$70 in June. It is currently trading in the low \$60's and to the end of June averaged \$51.51 for the year to date. Having averaged \$99.90 for 2008 we are targeting a 2009 average of \$55.

The reasons for this recovery are well-documented. First and foremost, OPEC's combined quota cuts of 4.2m barrels in October and December 2008, and the 70-80% compliance with the new quotas, have done enough to balance the market. Added to this the increasing signs of economic recovery, strong imports from China, and index buying combined with a weaker dollar and the animal spirits of traders have moved the oil price back up to a level which remunerates oil producing nations and encourages investment without disrupting the world economy. We now think of the oil price trading range as \$50-75.

The longer term outlook points to a steadily rising oil price. Non-OPEC supply, which was 50.6m b/day in 2008, is forecast to peak in 2011 at 51.1m b/day and fall to 50.2m b/day by 2014 (IEA Medium Term Oil Market Report July 2009) and even this might be optimistic. At the same time, global demand is forecast to move up from 85.8m b/day in 2008 to 89.0m b/day in 2014. Growth in supply from Brazil, the Caspian and the Canadian Oil Sands will not be enough to replace the shortfall from Mexico, Russia and the North Sea.

Equally important to our investment thesis at the moment is the US natural gas price which is currently very depressed. The Henry Hub price has fallen from around \$13 at 30 June 2008 to below \$4 today. Again, there is no great mystery to this: the US natural gas market has always been one of boom and bust and this represents a bust in every sense. The market is over supplied, recessionary demand is weak, and the storage level is nearly 20% above the five-year average. However, the number of rigs drilling for natural gas has fallen from 1,606 to 687 in ten months and when this begins to eat into supply we expect a recovery in the gas price. We think the reduction in operating rigs could bring supply down by 3-3.5 Bcf/day by September 2009 and by 5-6 Bcf/day by year end which would set us up for a stronger gas price in 2010.

### Activity

Portfolio activity during the period was relatively light. During April we sold our position in Chevron and replaced it with a position in Unit. Chevron had become the most expensive 'super major' we held and a rotation into Unit gave us exposure to a US E&P company with good value reserves. Unit also has a land drilling business which could perform well when the services business cycle begins to recover.

## **Investment Manager's Report Guinness Global Energy Fund (Continued)**

### **Activity (continued)**

In April we also sold our position in Peabody, the US coal company, and bought a position in Whiting, an 'oily' E&P company with acreage in the US. The outlook for US coal remains weak in light of the supply/demand imbalance and lower international exports and we are cautious on the ability for the coal group to maintain their long-term pricing contracts at current levels. Whiting has good value reserves, a long reserve life and should benefit from any move up in the oil price.

During May we bought one new research position, Falkland Oil and Gas. Falkland is an oil exploration company with offshore acreage to the south of the Falkland Islands. Whilst Falkland has not yet drilled any of its prospects, we believe that given its farm in agreement with BHP Billiton there should be good opportunity over the next 12-24 months for the company to accelerate its development plans.

### **Outlook**

So where does all of this leave us? We believe that in a \$60 oil and \$6 natural gas price world our stocks can make good profits. We continue to think that OPEC will support an oil price around that level and will cut effectively if oil falls and remains below \$50, and as mentioned above, the US natural gas market will rebalance itself over time as it has done before.

In terms of the broader economy, and specifically the US, my judgment is that quite a useful economic recovery is likely as vehicle sales and housing starts retrace from very depressed levels.

Overall, the Fund continues to seek to be well placed to benefit from the commodity price environment described above and to give investors exposure to a long-run rising oil price.

*Tim Guinness*

*July 2009*

**Investment Manager's Report  
Guinness Global Energy Fund (Continued)**

Fund highlights as at 30th June 2009

Share prices				
Class	Currency	Price 30th June 2009	Price 31st December 2008	Price at launch
A	USD	7.1119	5.51	10.00
B	USD	7.1149	5.49	10.00
C	GBP	7.9463	7.02	10.00
D	EUR	7.6231	5.92	10.00
E	USD	7.3710	5.67	10.00

Top 10 holdings (% of net assets)			
Singapore Petroleum	3.5%	Marathon Oil	3.4%
Occidental Petroleum	3.5%	ENI	3.4%
Petroleo Brasileiro	3.4%	Imperial Oil	3.4%
Repsol YPF	3.4%	StatoilHydro	3.3%
Noble Energy	3.4%	OMV	3.3%

Sector breakdown (% of net assets)	
Integrated Oil & Gas	48.1%
Oil & Gas Exploration & Production	31.5%
Oil & Gas Drilling	8.3%
Oil & Gas Equipment & Services	6.0%
Oil & Gas Refining & Marketing	3.6%
Construction & Engineering	0.4%
Cash & net current assets	2.1%

Country breakdown (% of net assets)	
United States	40.8%
Canada	14.3%
Switzerland	5.6%
United Kingdom	4.3%
China & Hong Kong	3.8%
Singapore	3.5%
Brazil	3.4%
Spain	3.4%
Italy	3.4%
Norway	3.3%
Austria	3.3%
France	3.3%
Netherlands	3.2%
Ireland	2.3%
Cash & Net Current Assets	2.1%

*Past performance should not be taken as an indicator of future performance. The source for all returns quoted is Bloomberg. Returns stated are in US dollars; returns in other currencies may be higher or lower as a result of currency fluctuations. Performance would be lower if initial charge and/or redemption fee were included. The information provided herein represents the opinion of the investment manager for the period stated and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice. Opinions, fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.*

## Investment Manager's Report Guinness Alternative Energy Fund

### Review

#### Performance

The Guinness Alternative Energy Fund (Class B in US dollars) was up 22.73% for the first half of 2009. This compared to a rise in the Wilderhill New Energy Global Innovation Index of 24.76% and in the Wilderhill Clean Energy Index of 17.55%. The sector's performance compares well to the MSCI World Index's total return of 6.58%. After the disappointing second half of 2008, stocks have recovered from their lows, but remain at depressed levels.

#### TOTAL RETURNS (US\$)

Since	6 Months (actual)	1 Year (actual)	Inception (annualised)
Fund (Class B)	+22.73%	-50.91%	-43.27%
Wilderhill New Energy Global Innovation Index (NEX)	+24.76%	-43.84%	-35.59%
Wilderhill Clean Energy Index (ECO)	+17.55%	-49.96%	-47.30%

#### Activity

The fund's main exposure was to solar and wind for the first half of 2009. We had moved the fund to gain additional exposure to the low cost Asian solar manufacturers in 2008, which has worked well. As polysilicon prices have fallen dramatically, the cost advantage of the Asian solar manufacturers has led to stock outperformance. At the same time a number of the European solar companies we held have struggled with the dramatic declines in average selling prices. We have sold our holdings in some of the smaller European solar players – Solar-Fabrik, Solar Millennium and Solaria, and sold our research holding in thin film new entrant Daystar. We have acquired a holding in PV Crystalox, a long standing undervalued polysilicon wafer manufacturer.

Our wind holdings have also performed well, with both turbine manufacturer and wind farm developer holdings doing well. There has been a marked underperformance by the second tier (by market capitalisation) players in the sector and we think that consolidation in the sector will provide a good uplift to valuations. We have already seen this with the Transalta bid for Canadian Hydro.

The fund has further exposure to hydro electricity, geothermal power and efficiency stocks. We have small exposure to biomass and none to biofuels. There are not attractive investment opportunities in biofuels today as a result of high feedstock prices and governments looking to provide less support for the industry. These have significantly reduced biofuel refining margins and are out of the control of management. We have no exposure to fuel cells, wave or tidal technologies as we do not see these industries reaching profitability in the next few years.

#### Outlook

With the bounce back in share prices from March onwards, alternative energy stocks have moved well above their lows, but still remain a long way from the prices seen in 2007 and 2008. Reported financials for the first two quarters of 2009 have been much lower than expected for many companies in the industry. However the outlook is if anything stronger than ever. The majority of companies in the sector have strong balance sheets and have reacted sensibly to the current economic conditions, reducing capital expenditure plans and trimming costs. From an investment point of view what is most exciting is that we are now moving back into a growth phase. Q2 2009 appears to have marked a lowpoint in orders and a combination of lower prices, availability of debt financing and governments starting to provide the promised subsidies are creating a good platform for several years of strong growth.

On the solar side, we expect polysilicon module prices will have fallen by around 50% from \$3.60 per Watt peak to \$1.80 per Watt peak at the end of 2009, and this is now beginning to feed through into much higher IRRs for project investors. While for most industries a halving in price would be disastrous, for the solar value chain, most of the reduction in module prices has been matched by reductions in spot polysilicon prices (the key raw material) from over \$400/kg to around \$65/kg. Lower prices should create higher demand that more than offsets the short term impact of lower prices on company P&Ls.

## **Investment Manager's Report Guinness Alternative Energy Fund (Continued)**

### **Outlook (continued)**

Wind investors have seen a slower impact, with some price reductions for turbines but not nearly as dramatic a change as in the solar sector. This is a function of the longer lead times and contracts in the wind sector. However, prices have fallen somewhat and financing is reportedly now available for good quality sites, so we expect to see a resurgence of orders which will allow the turbine manufacturers to keep increasing volumes at 20% plus per annum.

For the hydroelectric generators, electricity prices have fallen, but longterm power purchase agreements (PPAs) provide much insulation from that, and with expectations of increased wind and solar power being added, high quality base load power as provided by hydro remains an important part of the generation mix. Similarly the geothermal area is beginning to receive more attention as the only other low cost, proven technology source of baseload power.

Areas we are monitoring carefully for future investments include hybrid vehicles, efficiency and some of the vertically integrated and second generation biofuels plays.

The fund managers see the combination of low valuations caused by the fall in the broad markets and the improving growth outlook of the sector as energy prices rise create a highly compelling investment opportunity. The fund is positioned to capture the returns from long term growth of the alternative energy sector.

*Tim Guinness  
Edward Guinness  
Matthew Page*

*July 2009*

## Investment Manager's Report Guinness Alternative Energy Fund (Continued)

Fund highlights as at 30th June 2009

Share prices				
Class	Currency	Price 30th June 2009	Price 31 <sup>st</sup> December 2008	Price at launch
A	USD	4.2303	3.44	10.00
B	USD	4.1974	3.42	10.00
C	GBP	5.8977	5.50	10.00
D	EUR	5.6464	4.63	10.00
E	USD	5.4656	4.44	10.00

Top 10 holdings (% of net assets)			
Novera Energy	3.8%	Ormat Technologies	3.6%
EDF Energies Nouvelles	3.8%	JA Solar Holdings	3.5%
Oest Elektrizitatswirts	3.8%	EDP Renovaveis	3.5%
SMA Solar Technology	3.6%	Theolia	3.5%
Hansen Transmissions	3.6%	Suntech Power	3.4%

Sector breakdown (% of net assets)	
Solar	39.8%
Wind	31.3%
Hydro	11.0%
Geothermal	7.3%
Efficiency	7.0%
Biomass Energy	3.8%
Cash & net current assets	-0.2%

Country breakdown (% of net assets)	
United States	21.1%
China & Hong Kong	13.4%
Germany	11.6%
Spain	9.7%
United Kingdom	8.5%
France	7.3%
Canada	6.0%
Denmark	5.2%
Austria	3.8%
Belgium	3.6%
Brazil	3.4%
Philippines	3.2%
Norway	2.9%
Australia	0.5%
Cash & net current assets	-0.2%

*Past performance should not be taken as an indicator of future performance. The source for all returns quoted is Bloomberg. Returns stated are in US dollars; returns in other currencies may be higher or lower as a result of currency fluctuations. Performance would be lower if initial charge and/or redemption fee were included. The information provided herein represents the opinion of the investment manager for the period stated and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice. Opinions, fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.*

**Schedule of Investments as at 30<sup>th</sup> June 2009**  
**Guinness Global Energy Fund**

Financial assets at fair value through profit or loss	Country	Nominal holding	Fair value USD	% of NAV
<b>Equity Securities</b>				
<b>Integrated Oil &amp; Gas</b>				
BP	UK	329,330	2,591,382	3.24%
ConocoPhillips	US	60,690	2,552,621	3.19%
ENI	Italy	113,940	2,692,918	3.37%
Hess	US	48,090	2,584,838	3.24%
Imperial Oil	Canada	69,110	2,685,016	3.36%
Marathon Oil	US	89,720	2,703,264	3.38%
Occidental Petroleum	US	42,050	2,767,311	3.46%
OMV	Austria	70,490	2,638,901	3.30%
Petro-Canada	Canada	68,010	2,630,567	3.29%
Petroleo Brasileiro	Brazil	82,270	2,744,527	3.44%
Repsol YPF	Spain	121,670	2,720,313	3.40%
Royal Dutch Shell	Netherlands	102,570	2,560,869	3.21%
StatoilHydro	Norway	135,150	2,658,255	3.33%
Suncor Energy	Canada	42,570	1,296,508	1.62%
Total SA	France	48,540	2,619,883	3.28%
			38,447,173	48.11%
<b>Oil &amp; Gas Exploration &amp; Production</b>				
Addax Petroleum Corp	Switzerland	43,120	1,831,584	2.29%
Afren	UK	205,320	180,055	0.23%
Anadarko Petroleum	US	39,470	1,791,543	2.24%
Apache	US	22,700	1,637,805	2.05%
CNOOC	Hong Kong	1,979,000	2,453,944	3.08%
Coastal Energy	UK	138,600	338,937	0.42%
Dragon Oil	Ireland	252,560	1,511,899	1.89%
EnCana	Canada	33,960	1,686,376	2.11%
Falkland Oil	UK	228,311	338,394	0.42%
Grey Wolf Exploration	Canada	174,890	112,944	0.14%
Newfield Exploration	US	54,100	1,767,447	2.21%
Nexen	Canada	114,360	2,488,377	3.11%
Noble Energy	US	45,935	2,708,787	3.39%
OPTI Canada	Canada	152,130	255,439	0.32%
Pioneer Natural Resources	US	68,960	1,758,480	2.20%
Swift Energy	US	110,660	1,842,489	2.31%
WesternZagros Resources	Canada	171,780	238,142	0.30%
Whiting Petroleum	US	63,755	2,241,626	2.81%
			25,184,268	31.52%

**Schedule of Investments as at 30<sup>th</sup> June 2009**  
**Guinness Global Energy Fund (continued)**

	Country	Nominal Holding	Fair Value USD	% of NAV
<b>Oil &amp; Gas Drilling</b>				
Patterson-UTI Energy	US	133,940	1,722,468	2.16%
Transocean	Switzerland	35,310	2,623,180	3.28%
Unit	US	84,194	2,321,229	2.90%
			6,666,877	8.34%
<b>Oil &amp; Gas Equipment &amp; Services</b>				
Halliburton	US	124,170	2,570,319	3.22%
Helix Energy Solutions Group	US	151,830	1,650,392	2.06%
Shandong Molong Petroleum Machinery	China	4,072,000	583,212	0.73%
			4,803,923	6.01%
<b>Oil &amp; Gas Refining &amp; Marketing</b>				
Singapore Petroleum	Singapore	661,000	2,836,087	3.55%
<b>Construction &amp; Engineering</b>				
Kentz Corp	Ireland	119,470	302,011	0.38%
Total financial assets at fair value through profit or loss			78,240,337	97.91%
Cash at bank			1,704,871	2.14%
Other net liabilities			(38,187)	(0.05%)
			79,907,021	100.00%

**Schedule of Investments as at 30<sup>th</sup> June 2009**  
**Guinness Alternative Energy Fund**

Financial assets at fair value through profit or loss	Country	Nominal holding	Fair value USD	% of NAV
<b>Equity Securities</b>				
<b>Solar</b>				
First Solar	US	260	42,172	2.71%
JA Solar Holdings	China	11,740	55,178	3.54%
LDK Solar	China	2,540	28,651	1.84%
MEMC Electronic Materials	US	2,610	46,484	2.99%
PV Crystalox Solar	UK	36,699	50,163	3.22%
Q-Cells	Germany	1,740	35,389	2.28%
Renesola	China	6,050	34,062	2.19%
Renewable Energy	Norway	5,070	39,306	2.53%
Renewable Energy rights	Norway	1,748	6,246	0.40%
SMA Solar Technology	Germany	760	56,253	3.62%
Solarworld	Germany	1,660	39,047	2.51%
Sunpower	US	1,890	45,266	2.91%
Suntech Power	China	2,990	53,401	3.43%
Trina Solar	China	1,420	36,395	2.34%
Wacker Chemie	Germany	440	50,508	3.25%
			618,521	39.76%
<b>Wind</b>				
Clipper Windpower	UK	11,480	23,613	1.52%
Composite Technology	US	115,977	34,793	2.24%
EDF Energies Nouvelles	France	1,180	58,525	3.77%
EDP Renovaveis	Spain	5,350	54,780	3.52%
Gamesa	Spain	2,340	44,342	2.85%
Greentech Energy Systems	Denmark	7,350	31,426	2.02%
Hansen Transmissions	Belgium	21,800	55,378	3.56%
Iberdrola Renovables	Spain	11,460	52,322	3.36%
Innergex Renewable Energy	Canada	8,510	28,212	1.81%
Theolia	France	12,550	54,746	3.52%
Vestas Wind Systems	Denmark	690	49,451	3.18%
			487,588	31.35%
<b>Hydro</b>				
Boralex	Canada	4,390	30,241	1.94%
Canadian Hydro Developers	Canada	9,190	29,516	1.90%
CEMIG	Brazil	3,970	53,357	3.43%
Oest Elektrizitätswirts	Austria	1,150	58,521	3.76%
			171,635	11.03%

**Schedule of Investments as at 30<sup>th</sup> June 2009**  
**Guinness Alternative Energy Fund (continued)**

	Country	Nominal Holding	Fair Value USD	% of NAV
<b>Geothermal</b>				
Energy Development	Philippines	609,000	49,986	3.21%
Geodynamics	Australia	10,760	7,568	0.49%
Geodynamics options	Australia	2,690	130	0.01%
Ormat Technologies	US	1,370	55,225	3.55%
			112,909	7.26%
<b>Efficiency</b>				
Echelon	US	5,980	50,711	3.26%
Thermal Energy	Canada	99,567	6,001	0.39%
Waterfurnace Renewable Energy	US	2,240	52,945	3.40%
			109,657	7.05%
<b>Biomass Energy</b>				
Novera Energy	UK	77,860	58,983	3.79%
Total financial assets at fair value through profit or loss			1,559,292	100.24%
Cash at bank			6,696	0.43%
Other net liabilities			(10,512)	(0.67%)
			1,555,476	100.00%

**Statement of Net Assets Attributable to Participating Shareholders**  
*As at 30<sup>th</sup> June 2009*

	Notes	Guinness Global Energy Fund \$	Guinness Alternative Energy Fund \$	TOTAL \$
<b>ASSETS</b>				
Financial assets at fair value through profit or loss (Cost \$100,868,356)	2	78,240,337	1,559,292	79,799,629
Cash at bank		1,704,871	6,696	1,711,567
Dividends receivable		84,602	1,295	85,897
Other assets		4,636	20,664	25,300
<b>Total assets</b>		<b>80,034,446</b>	<b>1,587,947</b>	<b>81,622,393</b>
<b>LIABILITIES</b>				
Redemption payable		-	-	-
Other accrued expenses		33,021	22,744	55,765
Investment management fees payable	3	73,857	2,114	75,971
Administration fee payable	3	11,270	4,447	15,717
Custodian fee payable	3	9,277	3,166	12,443
Payable for securities purchased		-	-	-
<b>Total liabilities (excluding net assets attributable to participating shareholders)</b>		<b>127,425</b>	<b>32,471</b>	<b>159,896</b>
<b>Net assets attributable to participating shareholders</b>		<b>79,907,021</b>	<b>1,555,476</b>	<b>81,462,497</b>
Number of redeemable participating shares in issue				
Class A shares	6	10,482,543.85	3,134.12	
Class B shares	6	513,555.37	306,387.68	
Class C shares	6	24,737.32	29,650.18	
Class D shares	6	68.87	68.87	
Class E shares	6	196,357.39	100.00	
Net asset value per redeemable participating share				
Class A shares	11	\$7.1057	\$4.1427	
Class B shares	11	\$7.1088	\$4.1105	
Class C shares	11	£7.9394	£5.7756	
Class D shares	11	€7.6165	€5.5295	
Class E shares	11	\$7.3647	\$5.3525	

On behalf of the Board

Paul Nunan

Anthony Joyce

26<sup>th</sup> August 2009

*The accompanying notes form an integral part of the financial statements*

**Statement of Net Assets Attributable to Participating Shareholders**  
*As at 30<sup>th</sup> June 2008*

	Notes	Guinness Global Energy Fund \$	Guinness Alternative Energy Fund \$	TOTAL \$
<b>ASSETS</b>				
Financial assets at fair value through profit or loss (Cost \$72,469,707)	4	73,935,988	3,215,616	77,151,604
Cash at bank		1,372,094	(13,495)	1,358,599
Receivable for securities sold		160,609	28,938	189,547
Dividends receivable		19,231	3,515	22,746
Other assets		87,880	56,193	144,073
<b>Total assets</b>		<b>75,575,802</b>	<b>3,290,767</b>	<b>78,866,569</b>
<b>LIABILITIES</b>				
Accrued expenses		32,701	35,551	68,252
Investment Management fees payable	3	61,795	3,760	65,555
Administration fee payable	3	9,190	2,285	11,475
Custodian fee payable	3	12,655	25,767	38,422
<b>Total liabilities (excluding net assets attributable to holders of participating shares)</b>		<b>116,341</b>	<b>67,363</b>	<b>183,704</b>
<b>Net assets attributable to holders of participating shares</b>		<b>75,459,461</b>	<b>3,223,404</b>	<b>78,682,865</b>
Number of redeemable participating shares in issue				
Class A Shares		5,888,964.58	185,134.00	
Class B Shares		145,418.65	191,430.86	
Net asset value per redeemable participating share				
Class A Shares		\$12.51	\$8.57	
Class B Shares		\$12.49	\$8.55	

*The accompanying notes form an integral part of the financial statements*

**Statement of Operations**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

	Notes	Guinness Global Energy Fund \$	Guinness Alternative Energy Fund \$	TOTAL \$
<b>Investment income</b>				
Dividend income		796,209	9,475	805,684
Net realised loss on financial assets at fair value through profit or loss and foreign exchange		(3,959,151)	(694,336)	(4,653,487)
Net movement in unrealized gain on financial assets at fair value through profit or loss and foreign exchange		19,526,288	1,038,370	20,564,658
		<hr/>	<hr/>	
Total investment income gain		16,363,346	353,509	16,716,855
<b>Expenses</b>				
Management fees	3	305,829	10,863	316,692
Administration fees	3	53,587	37,628	91,215
Other expenses		29,423	19,267	48,690
Custodian fees	3	14,876	14,876	29,752
Directors fees	4	29,798	10,827	40,625
Audit fees		12,858	9,421	22,279
		<hr/>	<hr/>	
Total expenses		446,371	102,882	549,253
		<hr/>	<hr/>	
Fee Cap Reimbursement	3	10,062	119,602	129,664
		<hr/>	<hr/>	
<b>Net Expenses</b>		<b>436,309</b>	<b>(16,720)</b>	<b>419,589</b>
<b>Finance Costs</b>				
Interest Expense on cash balances		(725)	(61)	(786)
Distributed Income		(248,168)	-	(248,168)
		<hr/>	<hr/>	
<b>Total Finance Cost</b>		<b>(248,893)</b>	<b>(61)</b>	<b>(248,954)</b>
		<hr/>	<hr/>	
Increase in Net Assets attributable to holders of participating shares from operations		<b>15,678,144</b>	<b>370,168</b>	<b>16,048,312</b>

On behalf of the Board

Paul Nunan

Anthony Joyce

26<sup>th</sup> August 2009

*The accompanying notes form an integral part of the financial statements*

**Statement of Operations**

*For the period 12<sup>th</sup> December 2007 (date of incorporation) until 30<sup>th</sup> June 2008*

		<b>Guinness Global Energy Fund**</b>	<b>Guinness Alternative Energy Fund*</b>	<b>TOTAL</b>
	Notes	\$	\$	\$
<b>Investment income</b>				
Dividend income		326,103	10,299	336,402
Interest income		-	145	145
Fee Cap reimbursement	3	10,063	79,793	89,856
Redemption fee income		9,136	-	9,136
Net realised gain on financial assets at fair value through profit or loss and foreign exchange		808,276	(15,165)	793,111
Net movement in unrealized gain on financial assets at fair value through profit or loss and foreign exchange		5,092,574	(290,834)	4,801,740
		6,246,152	(215,762)	6,030,390
<b>Expenses</b>				
Management fees	3	121,943	11,551	133,494
Other expenses		24,042	20,400	44,442
Custodian fees	3	12,655	25,767	38,422
Directors fees		7,827	25,359	33,186
Administration fees	3	20,639	3,188	23,827
Audit fees		4,326	11,330	15,656
Organisational fees		4,589	7,622	12,211
		196,021	105,217	301,238
Change in Net Assets attributable to holders of participating shares from operations		6,050,131	(320,979)	5,729,152

\* launched on 20th December 2007

\*\* launched on 31st March 2008

*The accompanying notes form an integral part of the financial statements*

**Statement of Changes in Net Assets Attributable  
to Participating Shareholders**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

	<b>Guinness Global Energy Fund</b>	<b>Guinness Alternative Energy Fund</b>	<b>TOTAL</b>
	\$	\$	\$
<b>Net assets attributable to participating Shareholders at 1<sup>st</sup> January 2009</b>	48,072,131	1,578,485	49,650,616
Increase in Net Assets attributable to participating shareholders from operations	15,678,144	370,168	16,048,312
Proceeds from sale of participating shares	22,720,534	238,729	22,959,263
Payment on redemption of participating shares	(6,563,788)	(631,906)	(7,195,694)
<b>Net assets attributable to participating Shareholders at 30<sup>th</sup> June 2009</b>	<u>79,907,021</u>	<u>1,555,476</u>	<u>81,462,497</u>

The accompanying notes form an integral part of the financial statements

**Statement of Changes in Net Assets Attributable  
to Participating Shareholders**

*For the period 12<sup>th</sup> December 2007 (date of incorporation) until 30<sup>th</sup> June 2008*

	<b>Guinness Global Energy Fund**</b>	<b>Guinness Alternative Energy Fund*</b>	<b>TOTAL</b>
	\$	\$	\$
<b>Balance at the 20<sup>th</sup> December 2007</b>	-	-	-
Change in Net Assets attributable to holders of participating shares from operations	6,050,131	(320,979)	5,729,152
Proceeds from sale of participating shares	73,170,402	5,332,706	78,503,108
Payment on redemption of participating shares	(3,761,072)	(1,788,323)	(5,549,395)
<b>Balance at 30<sup>th</sup> June 2008</b>	<u>75,459,461</u>	<u>3,223,404</u>	<u>78,682,865</u>

\* launched on 20th December 2007

\*\* launched on 31st March 2008

**Portfolio Movements (Unaudited)**  
*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**Guinness Global Energy Fund**

Purchases	Cost \$	Sales	Proceeds \$
Unit Corp	2,107,112	Chevron Corp	1,817,412
Whiting Petroleum	1,992,116	Peabody Energy	1,296,468
ConocoPhillips	1,283,953	Singapore Petroleum	927,677
Hess Corporation	1,163,578	Dragon Oil	701,935
Royal Dutch Shell	1,071,447	Petroleo Brasileiro	647,716
Total SA	1,016,128	Pioneer Natural Resources	449,227
Pioneer Natural Resources	970,975	Hess Corporation	444,634
ENI	954,817	Petro-Canada	423,464
StatoilHydro	950,493	OMV	381,922
BP	937,514	Newfield Exploration	361,693
Marathon Oil	909,486	Whiting Petroleum	304,122
Repsol YPF	856,681	Transocean	299,539
Imperial Oil	840,998	StatoilHydro	230,580
Noble Energy	753,565	CNOOC Ltd	206,188
Occidental Petroleum	735,366	Marathon Oil	191,160
Transocean	692,847	Patterson UTI	155,057
Halliburton	667,886	Nexen Inc	150,573
Patterson UTI Energy	593,617	Imperial Oil	149,439
Apache Corporation	589,816	Helix Energy	148,462
OMV	517,938	Royal Dutch Shell	106,770
EnCana Corp	510,592	Repsol YPF	94,955
Anadarko Petroleum	504,036	Halliburton	88,511
Chevron Corp	436,865	Anadarko Petroleum	71,862
Petroleo Brasileiro	418,894	Addax Petroleum	69,900
Suncor Energy	401,075	Total SA	41,518
Nexen Inc	396,800	Apache Corporation	37,362
Newfield Exploration Company	385,898	BP	20,299

**Portfolio Movements (Unaudited) (Continued)**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**Guinness Global Energy Fund**

<b>Purchases</b>	<b>Cost \$</b>	<b>Sales</b>	<b>Proceeds \$</b>
CNOOC Ltd	356,008	Noble Energy	16,284
Swift Energy	348,760	Unit Corp	3,127
Singapore Petroleum	308,094		
Falkland Oil	260,808		
Petro-Canada	235,101		
Helix Energy	166,156		
Addax Petroleum	159,667		
Dragon Oil	118,205		
Peabody Energy	40,323		
Opti Canada	21,266		

**Portfolio Movements (Unaudited) (Continued)**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**Guinness Alternative Energy Fund**

Purchases	Cost \$	Sales	Proceeds \$
Pv Crystalox Solar Plc	53,224	Energy Development	45,295
Clipper Windpower	27,982	SMA Solar Tech	36,198
Q-Cells	21,460	Suntech Power	35,920
Novera Energy	19,669	Solarworld	34,342
MEMC Electronic Materials	19,178	Solaria Energy	32,731
LDK Solar	13,769	First Solar	30,431
Wacker Chemie	13,539	JA Solar Holdings	29,245
Gamesa	13,317	Hansen Transmissions	29,195
Oest Elektrizitätswirts	13,140	Q-Cells	28,984
Greentech Energy	10,811	Wacker Chemie	27,340
Composite Technologies	9,549	Trina Solar L ADR REP	25,911
Renewable Energy	9,493	EDP Renovaveis	25,053
Sunpower	9,221	Vestas Wind Systems	24,369
JA Solar Holdings	8,036	Gamesa	22,905
EDF Energies	7,401	MEMC Electronic Materials	21,121
Ormat Technologies	6,284	Solar-Fabrik	19,967
Solaria Energy	5,939	EDF Energies Nouvelles	18,383
CEMIG	5,465	Echelon	16,886
Theolia	4,911	Clipper Windpower	15,860
Renesola	4,622	Sunpower	15,808
Boralex Inc	4,063	Oest Elektrizitätswirts	15,576
Iberdrola Removables	2,784	Ormat Technologies	15,537
		LDK Solar	14,524
		Iberdrola Removables	14,156
		Renesola	14,001
		Renewable Energy	13,932

**Portfolio Movements (Unaudited) (Continued)**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**Guinness Alternative Energy Fund**

<b>Purchases</b>	<b>Cost \$</b>	<b>Sales</b>	<b>Proceeds \$</b>
		Greentech Energy Systems	11,636
		CIA Energy	9,563
		Canadian Hydro Developers	7,841
		Boralex Inc	4,990
		Tanfield Group	4,385
		Theolia	3,978
		Daystar Technologies	3,338
		Innergex Renewable Energy	2,125
		Solar Millennium	2,117

## Notes to the Financial Statements

For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009

### 1. Organisation and Nature of Business

The Guinness Asset Management Funds plc (the “Company”) is an open-ended investment company with variable capital incorporated in Ireland on 12<sup>th</sup> December, 2007 under the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 with registration number 450670.

The Company launched “The Guinness Alternative Energy Fund” (the “Fund”) on 20<sup>th</sup> December 2007. Two different Classes of Shares were issued in respect of the Fund, US Dollar Class A and US Dollar Class B shares. The investment objective of the Fund is to provide investors with long-term capital appreciation.

The Company launched “The Guinness Global Energy Fund” (the “Fund”) on 31<sup>st</sup> March 2008. Two different Classes of Shares were issued in respect of the Fund, US Dollar Class A and US Dollar Class B shares. The investment objective of the Fund is to provide investors with long-term capital appreciation.

The Company launched three new share classes on the 3<sup>rd</sup> September 2008 on both Sub funds. The three different share classes issued were GBP Sterling Class C Shares, Euro Class D Shares and USD Class E Shares.

### 2. Principal Accounting Policies

#### *Basis of Preparation*

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 and the Listing Rules of the Irish Stock Exchange. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board (“ASB”).

The format and certain wordings of the financial statements has been adapted from those contained in the Companies (Amendment) Act, 1986 and FRS 3 “Reporting Financial Performance” so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company’s business as an investment fund.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss.

All references to net assets throughout this document refer to net assets attributable to holders of participating shares unless otherwise stated.

#### *Foreign exchange translation*

##### (a) Functional currency

The Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (the ‘functional currency’). The functional currency for both the Guinness Alternative Energy Fund and the Guinness Global Energy Fund is US dollars (\$).

## Notes to the Financial Statements (continued)

For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009

### 2. Principal Accounting Policies (continued)

#### (b) Transactions and balances

Assets and liabilities denominated in other currencies are translated into the functional currency using exchange rates prevailing at period end.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Operations.

#### *Financial Assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated by management at fair value through profit or loss at inception. Financial assets held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. The Funds investments are held for trading.

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred. Financial assets at fair value through profit or loss are subsequently measured at fair value at the period end. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the Statement of Operations in the period in which they arise.

Securities held by the Company listed or traded on a stock exchange for which market quotations are available are valued at the last traded price on the Valuation day. In the opinion of the Directors this is not materially different from the valuation using bid prices as required by Financial Reporting Standard, 26.

#### *Income from investments and deposits*

Dividend income arising from investments is accounted for on an ex-dividend basis. Deposit interest is accounted for on a receipt basis.

#### *Cash and Other Liquid Assets*

Cash and other liquid assets are valued at their face value as at close of business at 30<sup>th</sup> June 2009.

#### *Redeemable Participating Shares*

Participating shares are redeemable at the Shareholder's option and are classified as financial liabilities.

The participating shares provide the shareholders with the right to redeem their shares at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable shares are carried at the redemption amount that is payable at the period end date if the Shareholder exercised its right to put the share back to the Company and is presented as "Net assets attributable to Participating Shareholders" on the Statement of Net assets attributable to Participating Shareholders Report.

#### *Operating Expenses*

The Company is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. The Investment Manager meets all other operating expenses incurred by it in connection with its services.

**Notes to the Financial Statements (continued)**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**3. Management, Distribution, Administration and Custodian Fees**

Guinness Asset Management Limited, the Investment Manager, is entitled to receive from the Manager out of the assets of the Fund the following fees in respect of both the Guinness Alternative Energy Fund and the Guinness Global Energy Fund.

Class A Shares – 1.0% of the Net Asset Value of the Class A Shares  
 Class B Shares – 1.5% of the Net Asset Value of the Class B Shares  
 Class C Shares – 1.5% of the Net Asset Value of the Class C Shares  
 Class D Shares – 1.0% of the Net Asset Value of the Class D Shares  
 Class E Shares – 0.75% of the Net Asset Value of the Class E Shares

Guinness Asset Management Limited, the Global Distributor, is entitled to receive a distribution fee of 2% on subscription proceeds in respect of Class B Shares on each Fund and 5% on Class C.

Capita Financial Managers (Ireland) Limited, the Manager, is entitled to receive from the Company out of the assets of both the Guinness Alternative Energy Fund and the Guinness Global Energy Fund a fee as detailed below subject to a minimum annual fee of €78,000 (plus VAT, if any) thereon:

- 0.15% of the Net Asset Value of the Fund on the first \$100 million
- 0.12% of the Net Asset Value of the Fund on amounts in excess of \$100 million

Capita Financial Administrators (Ireland) Limited, the Administrator, will be paid by the Manager out of the fees which the Manager earns. The Administrator is also entitled to be repaid out of the assets of the Company, all of its reasonable out of pocket expenses incurred on behalf of the Fund which shall include, inter alia, legal fees, courier's fees and telecommunication costs and expenses.

JP Morgan Bank (Ireland) plc, the Custodian, shall be entitled to receive out of the assets of each Fund an annual fee accrued at each Valuation Point and payable monthly in arrears, which shall not exceed 0.2% per annum of the Net Asset Value of each Fund subject to a minimum annual fee of €35,000.

Notwithstanding the fees and expenses detailed above, the Investment Manager has agreed to reimburse until further notice, to the account of the Fund, any fees and expenses of the Fund, other than the fees of the Investment Manager, which exceed 0.5% of the Net Asset Value of the Fund per annum (such fees and expenses to include the annual fees of the custodian, the Manager, the Auditor, any Paying Agent and the Directors, and excluding any transaction charges, disbursements and out-of-pocket expenses that the Custodian, Manager, any Paying Agent and the Directors may be entitled to receive out of the assets of the Fund as outlined in the fund legal documents).

**4. Director Remuneration**

As at 30<sup>th</sup> June 2009, the Company had paid out \$21,687 (2008: \$10,440) to Directors and held an accrual for outstanding fees of \$18,938 (2008: \$22,746)

<b>Director</b>	<b>Fee at Company Level*</b>
	<b>EUR</b>
Paul Nunan	16,000
Anthony Joyce	Waived
Edward Guinness	Waived
Andrew E. Martin Smith	Waived
Johnny McClintock	16,000
David McGeough	16,000

\*This is the fee per annum which would be pro rated from date of appointment.

## Notes to the Financial Statements (continued)

For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009

### 5. Exchange Rates

The following exchange rates were used at the period end;

	Exchange Rate To USD June 2009	Exchange Rate To USD 30th June 2008
Euro	0.71294	0.634699
Pound Sterling	0.60722	0.502474
Norwegian Kroner	6.43655	5.09345
Taiwan Dollar	32.81	30.353
Canadian Dollar	1.16135	1.01455
Philippine Pesos	48.125	44.895
Australian Dollar	1.23693	1.042047
Danish Kroner	5.3092	4.73345
Hong Kong Dollar	7.75005	7.79745
Singapore Dollar	1.44735	1.35865

### 6. Shareholders' Funds

#### *Subscriber Shares*

The authorised share capital of the Company is 500,000,000,000 shares of no par value and Euro 2 divided into 2 redeemable non-participating shares of Euro 1.00 each. There are two non-participating shares currently in issue which were taken by the subscribers to the Company and are held by Guinness Asset Management Limited.

#### *Participating Shares*

At 30<sup>th</sup> June 2009, the Company had 10,485,677.97 Class A shares, 819,943.05 Class B US Dollar class shares, 54,387.5 Class C GBP shares, 137.74 Class D shares and 196,457.39 Class E shares in issue.

The Participating Share transactions during the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009 were as follows:

	Guinness Global Energy Fund Class A	Guinness Global Energy Fund Class B	Guinness Global Energy Fund Class C	Guinness Global Energy Fund Class D	Guinness Global Energy Fund Class E
Opening balance	8,244,387.81	469,705.32	7,574.61	68.87	13,262.39
Subscriptions	3,213,834.04	137,162.29	19,999.86	-	203,095.00
Redemptions	(975,678.00)	(93,312.24)	(2,837.15)	-	(20,000.00)
Closing balance	<b>10,482,543.85</b>	<b>513,555.37</b>	<b>24,737.32</b>	<b>68.87</b>	<b>196,357.39</b>

	Guinness Alternative Energy Fund Class A	Guinness Alternative Energy Fund Class B	Guinness Alternative Energy Fund Class C	Guinness Alternative Energy Fund Class D	Guinness Alternative Energy Fund Class E
Opening balance	134,281.66	314,622.33	9,782.24	68.87	100.00
Subscriptions	-	7,044.71	26,071.38	-	-
Redemptions	(131,147.54)	(15,279.36)	(6,203.44)	-	-
Closing balance	<b>3,134.12</b>	<b>306,387.68</b>	<b>29,650.18</b>	<b>68.87</b>	<b>100.00</b>

## Notes to the Financial Statements (continued)

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

The Participating Share transactions during the period 12<sup>th</sup> December 2007 to 30<sup>th</sup> June 2008 were as follows:

	<b>Guinness Global Energy Fund Class A</b>	<b>Guinness Global Energy Fund Class B</b>	<b>Guinness Alternative Energy Fund Class A</b>	<b>Guinness Alternative Energy Fund Class B</b>
Opening balance	-	-	-	-
Subscriptions	6,193,784.25	344,834.24	285,134.00	281,906.60
Redemptions	(304,819.67)	(199,415.59)	(100,000.00)	(90,475.74)
Closing balance	<b><u>5,888,964.58</u></b>	<b><u>145,418.65</u></b>	<b><u>185,134.00</u></b>	<b><u>191,430.86</u></b>

### 7. Related Party Disclosures

As at 30<sup>th</sup> June 2009, the Company paid the Investment Manager \$240,721 (2008: \$67,939) and the Company held an accrual for outstanding fees of \$75,971 (2008: \$65,555).

The following directors have waived their fee; Edward Guinness and Andrew E. Martin Smith. Guinness Asset Management Limited had the following shares in the fund as detailed below:

	<b>Guinness Global Energy</b>	<b>Guinness Alternative Energy</b>
Class A shares	-	-
Class B shares	-	108,834.83
Class C shares	-	-
Class D shares	68.87	68.87
Class E shares	100	100

### 8. Financial Instruments & Derivatives

In accordance with its investment objectives and policies, the Company holds financial instruments, which at any one time may comprise the following:

- securities held in accordance with the investment objectives and policies
- cash and short-term debtors and creditors arising directly from operations

The main risks arising from the Company's financial instruments are market risk and liquidity risk. The Investment Manager reviews and agrees policies for managing each of these risks and they are summarised below.

#### 8.1 Market Risk

Market risk consists of currency risk, interest rate risk and market price risk. It represents the potential loss the Company might suffer through holding market positions in the face of market movements.

## Notes to the Financial Statements (continued)

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

### 8.1.1 Currency Risk

The following table sets out the Company's total exposure to foreign currency risk in their US Dollar equivalents.

	<b>Guinness Global Energy 30<sup>th</sup> June 2009</b>	<b>Guinness Alternative Energy 30<sup>th</sup> June 2009</b>
	US\$	US\$
Australian Dollar	-	7,699
Canadian Dollar	13,580,695	146,915
Chinese Yuan	10,730	-
Danish Kroner	-	80,877
Euro	13,232,884	504,434
Great British Pound	4,926,034	188,137
Hong Kong Dollar	3,037,156	-
Norwegian Kroner	2,658,255	45,552
Philippine Peso	-	49,985
Singapore Dollar	2,836,087	-
Taiwan Dollar	-	-
<b>Total</b>	40,281,841	1,023,599

The comparative figures for the period 12<sup>th</sup> December 2007 to 30<sup>th</sup> June 2008 were as follows:

	<b>Guinness Global Energy 30<sup>th</sup> June 2008</b>	<b>Guinness Alternative Energy 30<sup>th</sup> June 2008</b>
	US\$	US\$
Australian Dollar	-	79,639
Canadian Dollar	12,987,643	287,137
Danish Kroner	-	193,192
Euro	12,555,456	1,426,080
Great British Pound	3,070,984	232,764
Hong Kong Dollar	151,734	-
Norwegian Kroner	2,483,060	84,485
Philippine Peso	-	101,000
Singapore Dollar	2,462,886	-
Taiwan Dollar	35	106,668
<b>Total</b>	33,711,798	2,510,965

**Notes to the Financial Statements (continued)***For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009***8.1.1 Currency Risk (Continued)**

A substantial portion of the net assets of the Company are denominated in currencies other than the US Dollar with the effect that the financial statements and total return can be significantly affected by currency movements. The Company does not currently enter into forward currency contracts to hedge this foreign currency risk.

**Currency Sensitivity Analysis****Guinness Global Energy**

The following details the Company's sensitivity to a 10% increase and decrease in the Euro – US Dollar exchange rate and also a 10% increase and decrease in the Canadian – US Dollar exchange rate, representing management's assessment of a reasonably possible change in exchange rates.

At 30<sup>th</sup> June 2009, if the Euro had strengthened by 10% against the US Dollar with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$1,323,288 (2008: \$1,255,546) lower arising due to the decrease in the fair value of financial assets at fair value through profit or loss. If the Euro had weakened by 10% against the US Dollar, with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$1,323,288 (2008: 1,255,546) higher.

At 30<sup>th</sup> June 2009, if the Canadian Dollar had strengthened by 10% against the US Dollar with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$1,358,070 (2008: \$1,298,764) lower arising due to the decrease in the fair value of financial assets at fair value through profit or loss. If the Canadian Dollar had weakened by 10% against the US Dollar, with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$1,358,070 (2008: \$1,298,764) higher.

**Guinness Alternative Energy**

The following details the Company's sensitivity to a 10% increase and decrease in the Euro – US Dollar exchange rate and also a 10% increase and decrease in the Canadian – US Dollar exchange rate, representing management's assessment of a reasonably possible change in exchange rates.

At 30<sup>th</sup> June 2009, if the Euro had strengthened by 10% against the US Dollar with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$50,443 (2008: \$142,608) lower arising due to the decrease in the fair value of financial assets at fair value through profit or loss. If the Euro had weakened by 10% against the US Dollar, with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$50,443 (2008: €142,608) higher.

At 30<sup>th</sup> June 2009, if the Canadian Dollar had strengthened by 10% against the US Dollar with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$14,692 (2008: \$28,714) lower arising due to the decrease in the fair value of financial assets at fair value through profit or loss. If the Canadian Dollar had weakened by 10% against the US Dollar, with all other variables held constant, the Net Assets attributable to Participating Shareholders would have been \$14,692 (2008: \$28,714) higher.

**8.1.2 Interest Rate Risk**

The Company is not significantly exposed to interest rate risk as 100% of its investments are in equities.

## Notes to the Financial Statements (continued)

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

### 8.1.3 Market Price Risk

Market price risk arises mainly from uncertainty about future prices of equity investments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. Details of all investments held at 30<sup>th</sup> June 2009 are listed in the schedule of investments including the comparative holdings within each country. The Investment Manager manages the Fund's market price risk on a daily basis in accordance with the Fund's investment objective and policies. The Fund's overall market positions are monitored on a quarterly basis by the Board of Directors.

### Price Sensitivity Analysis

#### Guinness Global Energy

The following details the Company's sensitivity to a 10% increase and decrease in equity market prices, representing an illustrative change in market prices. Further discussion on performance of the portfolio is set out in the Investment Manager's Report.

At 30<sup>th</sup> June 2009, if equity prices had been 10% higher, with all other variables held constant, the net assets attributable to Participating Shareholders would have been \$7,824,034 (2008: \$7,393,599) higher, arising due to the increase in the fair value of financial assets at fair value through profit or loss.

At 30<sup>th</sup> June 2009, if equity prices had been 10% lower with all other variables held constant, the net assets attributable to holders of redeemable shares for the period would have been \$7,824,034 (2008: \$7,393,599) lower, arising due to the decrease in the fair value of financial assets at fair value through profit or loss.

#### Guinness Alternative Energy

The following details the Company's sensitivity to a 10% increase and decrease in equity market prices, representing an illustrative change in market prices. Further discussion on performance of the portfolio is set out in the Investment Manager's Report.

At 30<sup>th</sup> June 2009, if equity prices had been 10% higher, with all other variables held constant, the net assets attributable to Participating Shareholders shares would have been \$155,929 (2008: \$321,562) higher, arising due to the increase in the fair value of financial assets at fair value through profit or loss.

At 30<sup>th</sup> June 2009, if equity prices had been 10% lower with all other variables held constant, the net assets attributable to holders of redeemable shares for the period would have been \$155,929 (2008: \$321,562) lower, arising due to the decrease in the fair value of financial assets at fair value through profit or loss.

### 8.2 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Fund's assets comprise mainly readily realisable securities, which can be sold in a short time frame. The main liability of the Fund is the redemption of any shares that the investors wish to sell.

## Notes to the Financial Statements (continued)

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

### 8.2 Liquidity Risk (Continued)

The following table shows the residual contractual maturities of the Fund's financial liabilities as at 30<sup>th</sup> June 2009:

All amounts stated in USD	Less than 1 month	1 to 3 months	3 months To 1 year	No stated maturity	Total
Accrued expenses	55,765	-	-	-	55,765
Investment Management fees payable	75,971	-	-	-	75,971
Administration fee payable	15,717	-	-	-	15,717
Custodian fee payable	12,443	-	-	-	12,443
Payable for Securities Purchased	-	-	-	-	-
Redemption Payable	-	-	-	-	-
Total assets	<u>81,633,957</u>	-	-	-	<u>81,633,957</u>
Net assets attributable to holders of redeemable participating shares	<u>81,462,497</u>				<u>81,462,497</u>
Total liabilities	<u>159,896</u>	-	-	-	<u>159,896</u>

The following table shows the comparative residual contractual maturities of the Fund's financial liabilities as at 30<sup>th</sup> June 2008:

Residual contractual maturities of financial liabilities

All amounts stated in USD	Less than 1 month	1 to 3 months	3 months To 1 year	No stated maturity	Total
Accrued expenses	68,252	-	-	-	68,252
Investment Management fees payable	65,555	-	-	-	65,555
Administration fee payable	11,475	-	-	-	11,475
Custodian fee payable	38,422	-	-	-	38,422
Total assets	<u>78,866,569</u>	-	-	-	<u>78,866,569</u>
Net assets attributable to holders of redeemable participating shares	<u>78,682,865</u>				<u>78,682,865</u>
Total liabilities	<u>183,704</u>	-	-	-	<u>183,704</u>

### 8.3 Credit Risk

The Company is exposed to credit risk on parties with whom it trades and also bears the risk of settlement default. Credit risk arises on cash at bank which is held with the Custodian. The Company has adopted a policy of only dealing with credit worthy counterparties and the Company's exposure and the counterparty's exposure are constantly monitored.

The total exposure to the Custodian at 30<sup>th</sup> June 2009 is \$81,511,196 (2008: \$78,699,750)

## 9. Soft Commission Arrangements

There were no soft commission arrangements in place during the period.

## Notes to the Financial Statements (continued)

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

### 10. Taxation

The Company qualifies as an investment undertaking as defined in Section 739B of the Taxation Consolidation Acts 1997. As such, it is not chargeable to Irish tax on its income and gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares.

No tax will arise on the Company in respect of chargeable events in respect of:

- (i) a shareholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company, and
- (ii) Certain exempted Irish resident investors who have provided the Company with the necessary signed statutory declarations.

Dividend income, interest and capital gains received by the Company may be subject to non-recoverable withholding tax in the country of origin.

### 11. Net Asset Value per Share

The Net Asset Value of a Fund is the value of the assets of the relevant Fund less its liabilities at each Valuation Point. The Net Asset Value per Share is the Net Asset Value of the relevant Fund divided by the total number of Shares of the relevant Fund in issue at each Valuation Point and rounding the resulting total to the nearest four decimal points.

For the purpose of determining Net Asset Value in accordance with the terms of the Prospectus, establishment expenses are being amortised over 60 months. However, for the purpose of these financial statements, establishment expenses have been expensed as incurred as required under accounting standards generally accepted in Ireland.

**Notes to the Financial Statements (continued)**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**11. Net Asset Value per Share(Continued)**

		<b>Guinness Global Energy Fund</b>	<b>Guinness Alternative Energy Fund</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
Net Asset Value per financial statements		79,907,021	1,555,476	81,462,497
Capitalised expenses		69,155	32,877	102,032
Redemption payable		-	-	-
<b>Published Net Asset Value</b>		<b>79,976,176</b>	<b>1,588,353</b>	<b>81,564,529</b>
			<b>Guinness Global Energy Fund</b>	<b>Guinness Alternative Energy Fund</b>
Number of shares in issue class	USD	Class A shares	10,482,543.85	3,134.12
	USD	Class B shares	513,555.37	306,387.68
	GBP	Class C shares	24,737.32	29,650.18
	EUR	Class D shares	68.87	68.87
	USD	Class E shares	196,357.39	100
Published Net asset value per share class	USD	Class A shares	\$7.1119	\$4.2303
	USD	Class B shares	\$7.1149	\$4.1974
	GBP	Class C shares	£7.9463	£5.8977
	EUR	Class D shares	€7.6231	€5.6464
	USD	Class E shares	\$7.3710	\$5.4656
Net impact reduction of NAV's per share	USD	Class A shares	\$0.0062	\$0.0876
	USD	Class B shares	\$0.0061	\$0.0869
	GBP	Class C shares	£0.0069	£0.1221
	EUR	Class D shares	€0.0066	€0.1169
	USD	Class E shares	\$0.0063	\$0.1131

**12. Distributions**

The Company may in general meeting declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividends, if declared, will be paid annually within four months of declaration. It is intended that the Fund will pursue a distribution policy so that the Fund will be able to obtain certification as a "Distributing Fund" under the United Kingdom Income and Corporation Taxes Act 1988 for the purpose of United Kingdom taxation. A failure of the Fund to comply with this requirement will result in the Fund failing to obtain certification. The Company obtained UK distribution status from the Board of Inland Revenue for the year ended 31<sup>st</sup> December 2008.

Dividends may be paid out of the net investment income. Otherwise all income and gains of the Fund will be accumulated within the Fund. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Fund.

**Notes to the Financial Statements (continued)**

*For the period 1<sup>st</sup> January 2009 to 30<sup>th</sup> June 2009*

**12. Distributions(Continued)**

Where the amount of any distribution payable to an individual Shareholder would be less than US\$100 the Directors in their sole discretion may determine that such amount shall not be distributed but shall be retained and reinvested within and for the benefit of the Fund.

The Directors declared a distribution of USD 0.028 per share on Class A US\$ of the Guinness Global Energy Fund amounting to USD 248,168 with an Ex date of 2<sup>nd</sup> March 2009 and pay date of 12<sup>th</sup> March 2009. The remaining classes had insufficient income to distribute. Guinness Alternative Energy Fund had insufficient income to distribute.

**13. Events after the Period End**

There have been no subsequent events since the period end.

**14. Efficient Portfolio Management**

No efficient portfolio management techniques were used during the year.

**15. Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 26<sup>th</sup> August 2009.